

House Study Bill 155 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON SEXTON)

A BILL FOR

1 An Act establishing a dairy innovation fund and program to be
2 administered by the economic development authority.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15E.371 Dairy innovation fund and
2 program.

3 1. As used in this section unless the context otherwise
4 requires:

5 a. "*Financial assistance*" means assistance provided only
6 from the moneys and assets legally available to the authority
7 pursuant to this section and includes assistance in the form of
8 grants, low-interest loans, and forgivable loans.

9 b. "*Fund*" means the dairy innovation fund.

10 c. "*Located in*" means the place or places at which
11 a business's operations are located and where at least
12 ninety-eight percent of the business's employees work, or where
13 employees that are paid at least ninety-eight percent of the
14 business's payroll work.

15 d. "*Program*" means the dairy innovation program.

16 2. a. The fund is created in the state treasury under
17 the control of the authority and consists of any moneys
18 appropriated to the fund by the general assembly and any
19 other moneys available to or obtained or accepted by the
20 authority for placement in the fund. Moneys in the fund are
21 appropriated to the authority to award financial assistance as
22 provided under the program. The authority shall use any moneys
23 specifically appropriated for purposes of this section only for
24 the purposes of the program.

25 b. Notwithstanding section 8.33, moneys in the fund
26 that remain unencumbered or unobligated at the close of the
27 fiscal year shall not revert but shall remain available for
28 expenditure for the purposes designated until the close of the
29 succeeding fiscal year.

30 3. The authority shall establish and administer the program
31 for the purpose of awarding financial assistance to eligible
32 businesses engaged in projects that do all of the following:

33 a. Expand or refurbish existing milk plants or establish a
34 new milk plant, operating pursuant to a permit issued pursuant
35 to section 192.111.

1 *b.* Expand or refurbish existing mobile dairy processing
2 units, or establish new mobile dairy processing units.

3 *c.* Rent building, refrigeration facilities, freezer
4 facilities, or equipment necessary to expand dairy processing
5 capacity, including mobile dairy or refrigeration units used
6 exclusively for dairy processing.

7 *d.* Incorporate methods and technologies that reduce farm
8 labor associated with milk production and storage, including
9 but not limited to the use of robotics and processes or systems
10 that operate using computerized equipment or machinery.

11 4. The authority shall establish eligibility criteria for
12 the program by rule. The eligibility criteria must include all
13 of the following:

14 *a.* The business must be located in this state.

15 *b.* The business must not have been subject to any regulatory
16 enforcement action related to federal, state, or local
17 environmental, worker safety, food processing, or food safety
18 laws, rules, or regulations within the last five years.

19 *c.* The business must only employ individuals legally
20 authorized to work in this state.

21 *d.* The business must not currently be in bankruptcy.

22 *e.* The business must employ less than fifty individuals.

23 5. A business seeking financial assistance under this
24 section shall make application to the authority in the manner
25 prescribed by the authority by rule.

26 6. Applications shall be accepted during one or more
27 annual application periods to be determined by the authority
28 by rule. Upon reviewing and scoring all applications that are
29 received during an application period, and subject to funding,
30 the authority may award financial assistance to eligible
31 businesses. A financial assistance award shall not exceed
32 the amount of eligible project costs included in the eligible
33 business's application. Priority shall be given to eligible
34 businesses whose proposed project under subsection 3 will do
35 any of the following:

1 a. Create new jobs.

2 b. Create or expand opportunities for local small-scale milk
3 producers to market pasteurized milk and milk products under
4 private labels.

5 c. Provide greater flexibility or convenience for local
6 small-scale farmers to have milk processed.

7 d. Reduce labor associated with the on-farm production and
8 storage of milk.

9 7. A business that is awarded financial assistance under
10 this section may apply for financial assistance under other
11 programs administered by the authority.

12 8. The authority shall adopt rules pursuant to chapter 17A
13 to administer this section.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill establishes a dairy innovation fund (fund) and
18 dairy innovation program (program) to be administered by the
19 economic development authority (authority).

20 The bill creates the fund in the state treasury under
21 the control of the authority, which consists of any moneys
22 appropriated to the fund by the general assembly and any other
23 moneys available to the authority for placement in the fund.
24 Moneys in the fund are appropriated to provide financial
25 assistance (assistance) as provided under the program.

26 "Financial assistance" is defined to include assistance in the
27 form of grants, low-interest loans, and forgivable loans.

28 The authority must use any moneys specifically appropriated
29 to the program only for purposes of supporting the program.
30 The appropriated moneys that remain unencumbered or unobligated
31 at the close of the fiscal year do not revert but remain
32 available for expenditure for the program until the close of
33 the succeeding fiscal year.

34 The authority must establish and administer the program for
35 the purpose of awarding assistance to eligible businesses for

1 projects that expand or refurbish an existing, or establish
2 a new, milk plant; expand or refurbish an existing, or
3 establish a new, mobile dairy processing unit; rent buildings,
4 refrigeration facilities, freezer facilities, or equipment
5 necessary to expand processing capacity, including mobile dairy
6 or refrigeration units; or incorporate methods and technologies
7 that reduce farm labor associated with milk production and
8 storage.

9 The authority must establish eligibility criteria for the
10 program by rule, and the criteria must include the requirements
11 detailed in the bill. A business seeking assistance under
12 the program must make application to the authority in the
13 manner prescribed by the authority by rule. Applications must
14 be accepted during one or more annual application periods
15 determined by the authority by rule. After reviewing and
16 scoring all applications received during an application period,
17 and subject to funding, the authority may award assistance
18 to eligible businesses. A financial assistance award cannot
19 exceed the amount of eligible project costs included in an
20 eligible business's application. The bill requires that
21 priority be given to eligible businesses whose proposed project
22 will create new jobs; create or expand opportunities for local
23 small-scale milk producers to market pasteurized milk and milk
24 products under private labels; provide greater flexibility
25 or convenience for local small-scale farmers to have milk
26 processed; and reduce labor associated with the on-farm
27 production and storage of milk.

28 A business that is awarded assistance under the program may
29 apply for assistance under other programs administered by the
30 authority.

31 The authority is required to adopt rules to administer the
32 fund and program.